Department of Defense
Financial Management Modernization Program

FMMP

Presentation to the Air Force Functional Requirements Board

April 10, 2003

Financial Management Modernization Program

Financial Management Modernization is

- DoD-wide initiative to transform business processes

- DoD-wide initiative to standardize and integrate information systems and standards

What Financial Management Modernization is <u>not</u>

- Not just a Finance and Accounting effort

- Not just a 'systems' effort
  - Focus: business processes

urrent DoD Environment - The Problem

Stovepiped non-integrated, non-standardized business processes and systems

Combatant Commanders

Services

Agencies

Stovepiped Processes and Systems

The Result ➡

- ***Nearly 2000 information systems***
- Inefficiency/wasted resources
- Poor data for decision-makers
- Less than optimal warfighter support

Financial Management Modernization Program

The Solution

Develop DoD-wide enterprise architecture

- Guides business process and data standardization

- Integrates DoD financial and business management systems

Implement DoD-wide governance structure

- Controls systems development and proliferation

- Controls IT costs

- Oversees architecture implementation and compliance

The Solution - Top Leadership Support

Secretary of Defense

- Vision
  - Operate DoD in an efficient business-like manner
  - Develop timely, reliable, and relevant management information
  - Use clean audit opinions to verify data

- Scope
  - Standardize data and processes wherever produced - finance and financially-related "feeder" systems and business processes

- Approach
  - Created centralized Financial Management Modernization Program
  - Developing DoD-wide Financial Management Enterprise Architecture
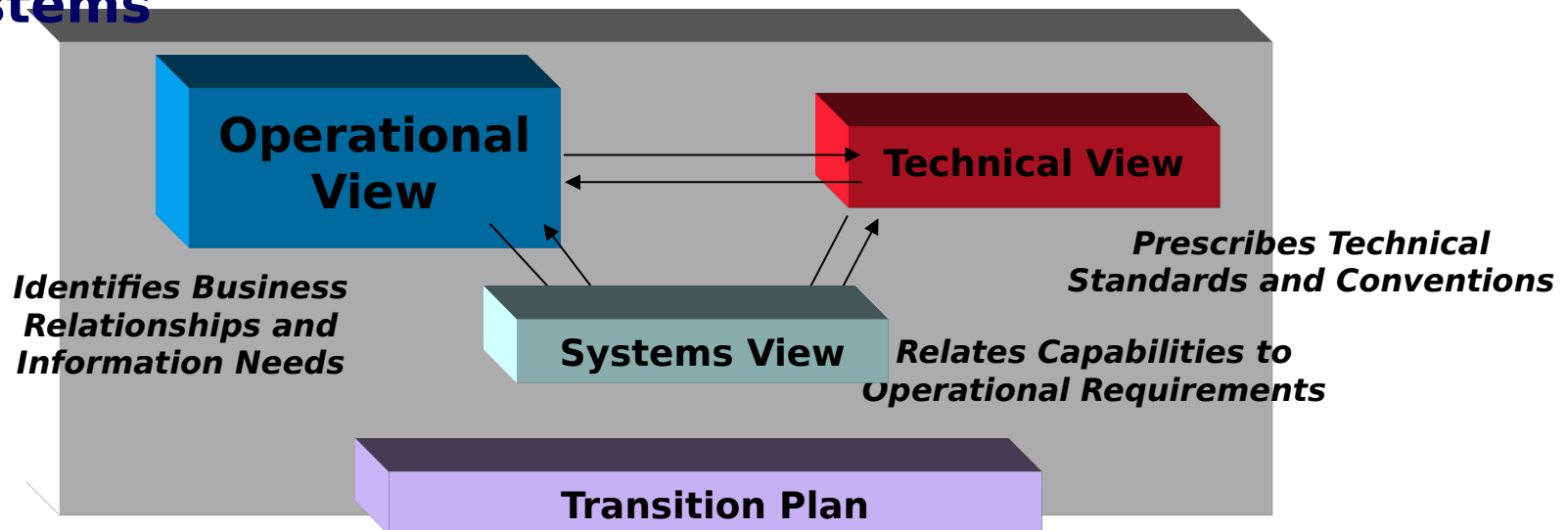   - First Step Completed: Enterprise Architecture "Strawman" Model

# Paramount: World-Class Business Operations in Support of the Warfighter

The Solution - Enterprise Architecture

An Integrated Model of DoD's Business Processes and Systems

Operational View

Technical View

Identifies Business Relationships and Information Needs

Prescribes Technical Standards and Conventions

Systems View

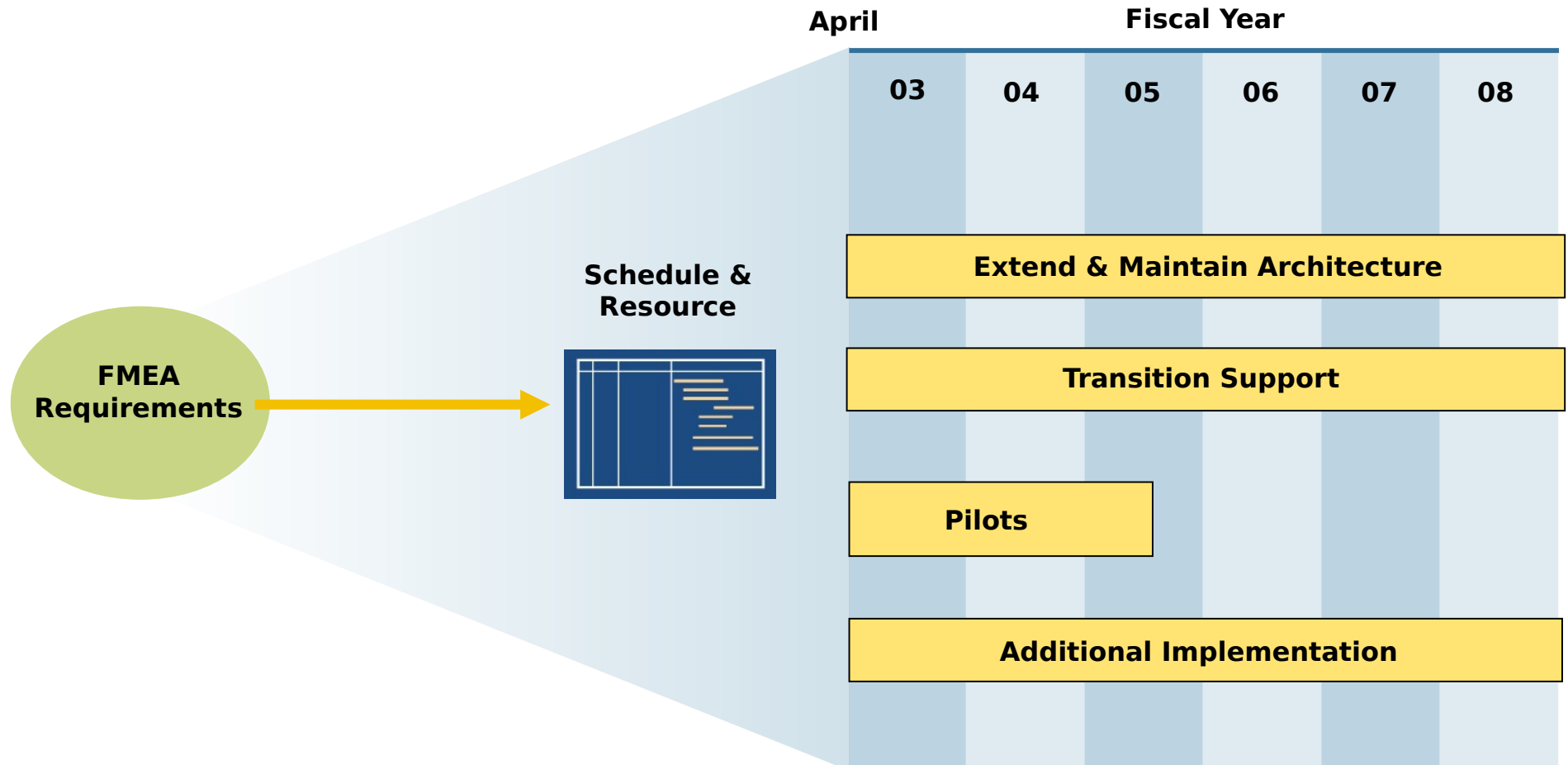*Relates Capabilities to Operational Requirements*

Transition Plan

- Standardizes and integrates business processes and systems
    - Helps implement "leading" business practices
- Creates end-to-end solutions using modern technology
- Reduces costs and systems

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FMEA Integrated Environment
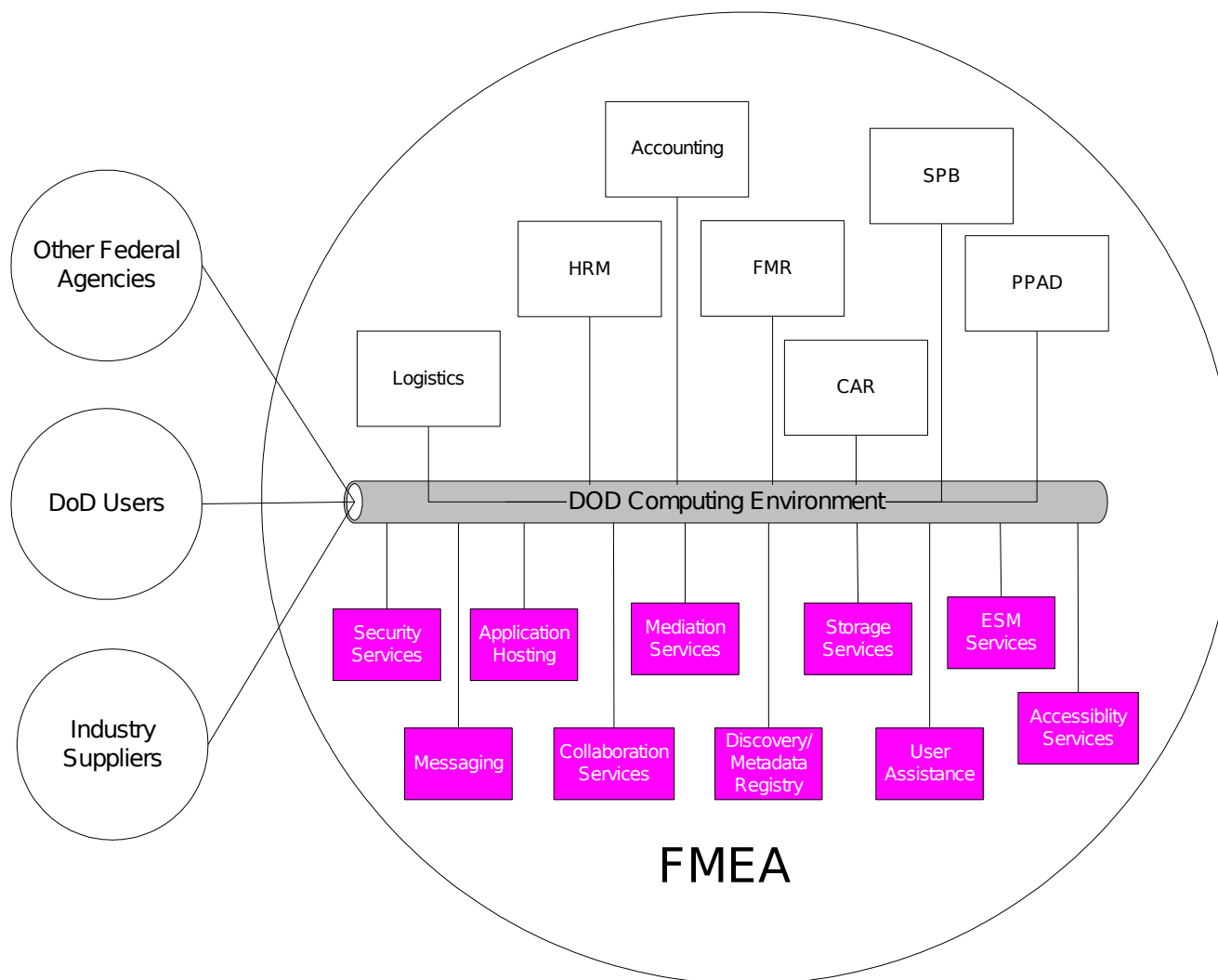
- Human Resource Management (HRM)
- Financial and Management Reporting (FMR)
- Cash and Accounts Receivable (CAR)
- Procurement, Payables, Acquisition, and Disbursing (PPAD)
- Logistics
- Strategic Planning and Budgeting (SPB)

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FMEA Project Phases

Schedule & Resource

FMEA Requirements

April | Fiscal Year

| 03 | 04 | 05 | 06 | 07 | 08 |

Extend & Maintain Architecture

Transition Support

Pilots

Additional Implementation

FMMP Governance

> *Governance is an organizational integration strategy.*

Goal

- Ensure consistency with development and implementation of the Financial Management Enterprise Architecture (FMEA)

Approach

- Begin by developing an architecture - recognized as overall framework
- Identify business areas
- Assign Domain Owners for each business area
- Domain Owners establish Lead Agent (Service/Agency)
- Domain Owners assume responsibility for all included activities

- Transition Plan being developed
- Business Scenarios to test architecture
- Integration with Global Infrastructure Grid (GIG) model
- Change Management, Strategic Communications, and Performance Measures/Metrics
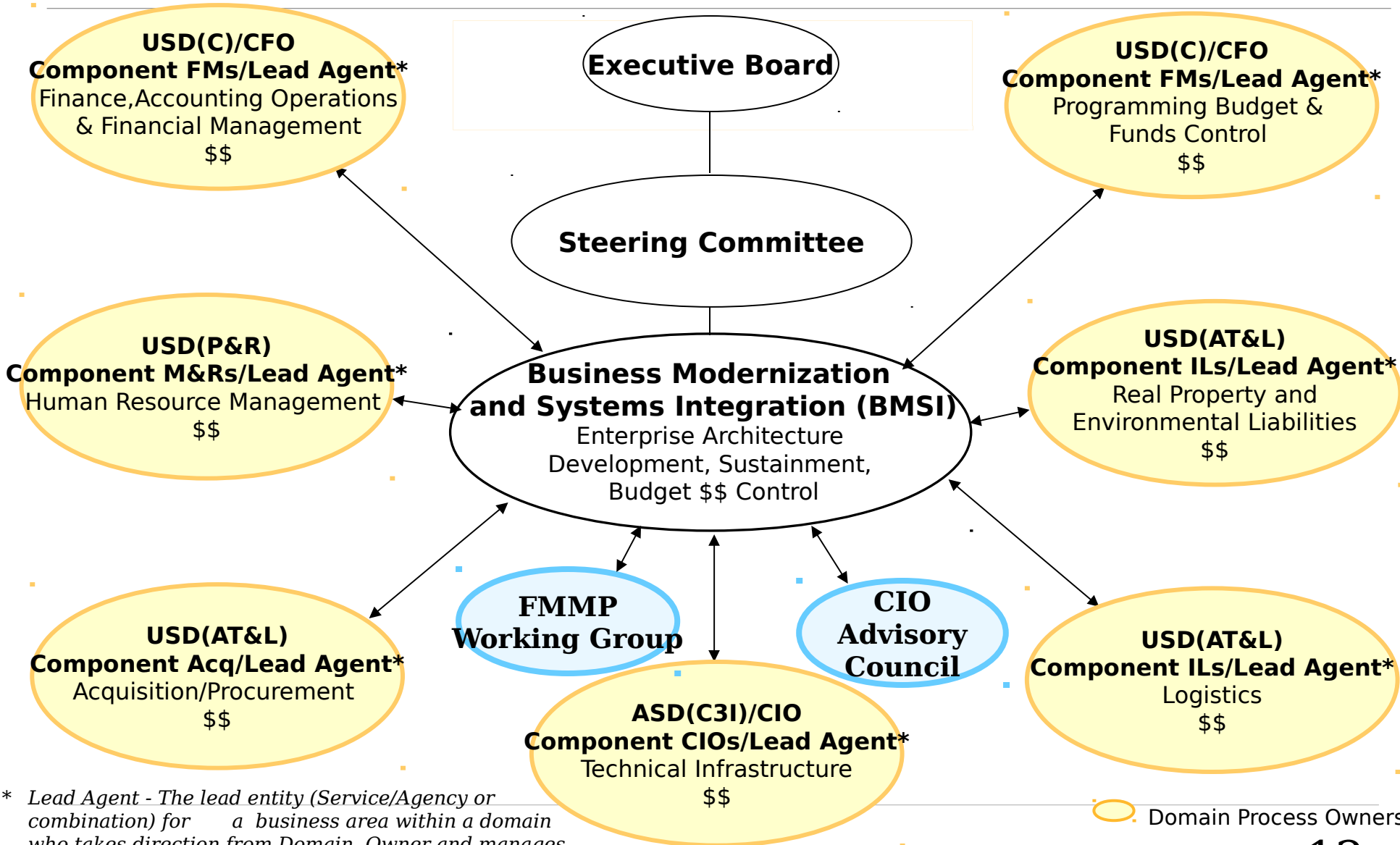
FMMP Governance

- **The purpose of FMMP Governance is to:**

  - Manage DoD's business transformation investments

  - Ensure consistency within DoD using the architecture as guideline

  - Manage the planning and execution of transformation initiatives, starting with pilots

- **Governance provides the guidance and oversight:**

  - DoD's business processes, systems, information, investments, roles and responsibilities

  - Ensures that the Department's business transformation activities are aligned with the strategic goals that are embodied in FMEA

- **Governance Plan is being developed by a working group consisting of BMSI and Domain Owner representatives**

FMMP Governance Concept

Executive Board

Steering Committee

Business Modernization and Systems Integration (BMSI)
Enterprise Architecture Development, Sustainment, Budget $$ Control

USD(C)/CFO
Component FMs/Lead Agent*
Finance,Accounting Operations & Financial Management
$$

USD(C)/CFO
Component FMs/Lead Agent*
Programming Budget & Funds Control
$$

USD(P&R)
Component M&Rs/Lead Agent*
Human Resource Management
$$

USD(AT&L)
Component ILs/Lead Agent*
Real Property and Environmental Liabilities
$$

USD(AT&L)
Component Acq/Lead Agent*
Acquisition/Procurement
$$

FMMP Working Group

CIO Advisory Council

ASD(C3I)/CIO
Component CIOs/Lead Agent*
Technical Infrastructure
$$

USD(AT&L)
Component ILs/Lead Agent*
Logistics
$$

* *Lead Agent - The lead entity (Service/Agency or combination) for   a business area within a domain who takes direction from Domain Owner and manages*

Domain Process Owners

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Domain Owners

Logistics - Diane Morales, Deputy Undersecretary for Logistics and Material Readiness

Acquisition/Procurement - Deidre Lee, Director of Defense Procurement and Acquisition Policy

Real Property and Environmental Liabilities - Raymond DuBois, Deputy Undersecretary for Installations and Environment

Personnel and Readiness - Norma St. Claire, Director of DOD's Joint Requirements and Integration Office for the Undersecretary of Personnel Management

Finance, Accounting Operations & Financial Management - JoAnn Boutelle, DOD Deputy Chief Financial Officer

Programming, Budget and Funds Control - John Roth, DOD Deputy Comptroller for Program and Budget

Technical Infrastructure - Priscilla Guthrie, Deputy Chief Information Officer for   DOD

Domain Owner Roles & Responsibilities

- Lead transformation of business area

- Establish governance within the domain

- Resolve funding issues

- Manage cross-domain issues

- Advocate for change within domain

- Review domain portfolio and enforce compliance with FMEA and Global Information Grid (GIG)

Where We Are Going with the Transformation

- FMMP is not a system solution!
  - Centralized management
  - Decentralized execution

- Transformation activities will be executed within the seven business domains.

- The Domain Owners will
  - Monitor all transformation initiatives within their domains
  - Guide execution activities
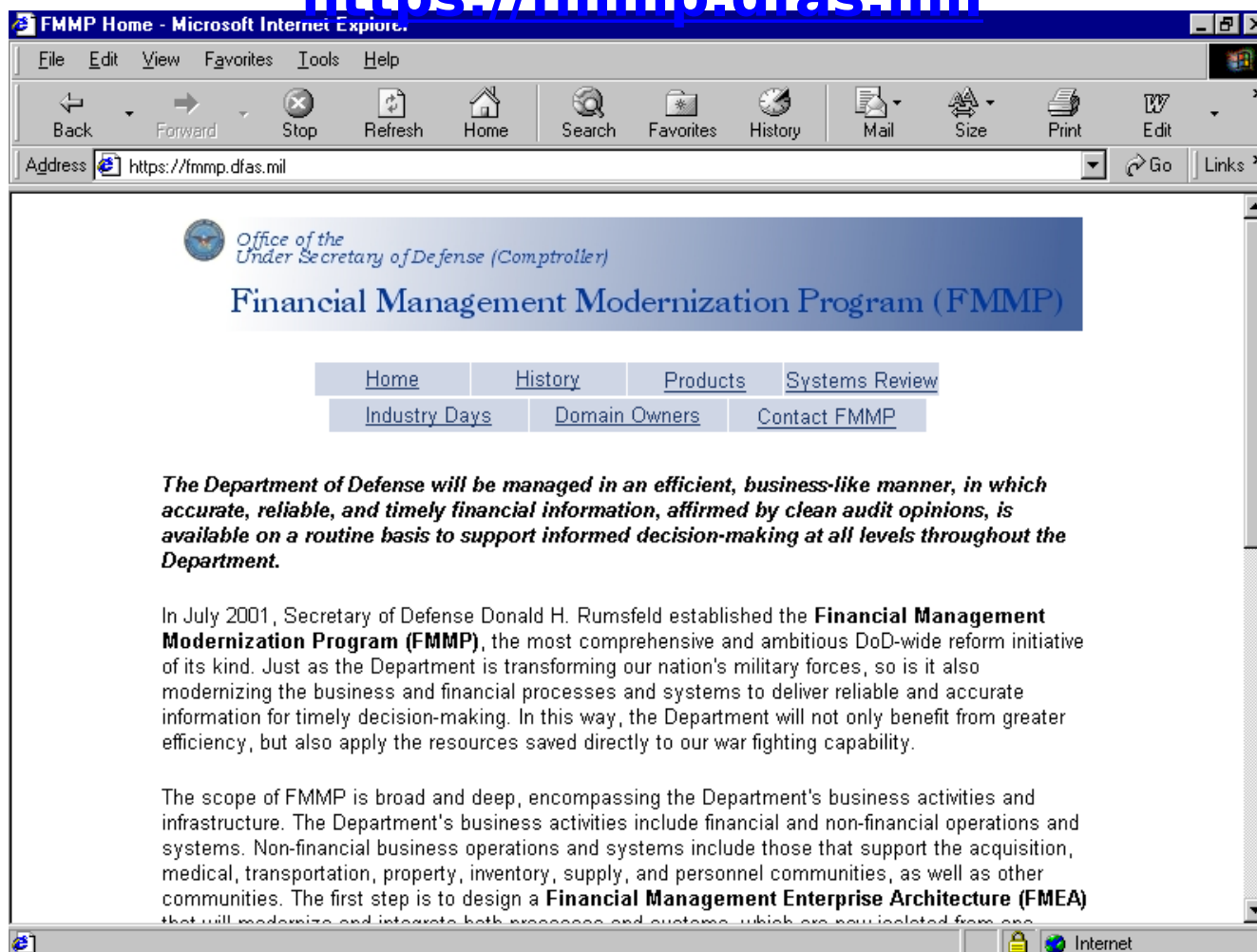 - Extend architecture

Next Steps

- Complete the architecture

- Use business scenarios to test the architecture

- Develop metrics for overall program and DoD-wide

- Implement governance process
  - Domain Owners drive governance process
  - Domain Owners manage investments
  - Domain Owners determine solutions within their domains

- Implement architecture

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Questions & Answers

FMMP Information

http://www.dfas.mil/library/fmmp or https://fmmp.dfas.mil

Acronyms

- BMSI – Business Modernization and Systems Integration

- FEA – Federal Enterprise Architecture

- FMEA – Financial Management Enterprise Architecture

- FMMP – Financial Management Modernization Program

- GIG – Global Information Grid

- OV – Operational View

- SV – Systems View

- TP – Transition Plan or Transition Planning

- TV – Technical View